GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

STARRED QUESTION NO:118
ANSWERED ON:09.02.2017
Incentives to Developers of National Highways
Thakur Shri Anurag Singh

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government proposes to incentivize developers of the National Highways (NHs) for early completion of the construction projects;

(b) if so, the details thereof and the steps taken/being taken by the Government in this regard;

(c) whether there is an apprehension that the companies are allegedly compromising with quality of the road construction in order to finish projects before the targeted time; and

(d) if so, the details thereof and the steps taken/being taken by the Government to ensure quality of the NHs constructed?

Answer

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) to (d) A STATEMENT is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 118 ANSWERED ON 09TH FEBRUARY, 2017 ASKED BY SHRI ANURAG SINGH THAKUR REGARDING 'INCENTIVES TO DEVELOPERS OF NATIONAL HIGHWAYS'.

(a) and (b) Government incentivizes developers of National Highways for early completion of construction projects through multiple initiatives such as contractual provisions for bonus to be payable to concessionaires/contractors for early completion of projects. Further, enhanced quality of project preparation through enabling reforms for expeditious land acquisition, better quality of DPR preparation through use of advanced technology and monitoring and supervision on a continuous basis are also facilitating faster project completion. Government has also approved an Exit Policy that enables private developers to take out their entire equity and exit all operational BOT projects two years from start of operations (COD) in a uniform manner. The proceeds from the sale of such divested equity may be first used in incomplete NHAI projects. Government has also approved a policy to revive the construction sector facing liquidity constraints by allowing release of 75% of the arbitral award to the contractor/concessionaire against Bank Guarantee without prejudice to the final order of the Court in matters under challenge. This is also enabling faster project completion. NHAI has already released an amount of Rs. 410.84 crores for 7 such cases. Further for MoRTH projects, an amount of Rs. 187.04 crores has been sanctioned for release in 2 cases.

(c) and (d) No such instance has come to the notice of the Government.

*****